

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2010-39183
Issue No.: 2009
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: July 28, 2010
Wayne County DHS (82)

ADMINISTRATIVE LAW JUDGE: Linda Steadley Schwarb

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon a request for a hearing filed on behalf of the Special Personal Representative of the Estate of [REDACTED]. After due notice, a hearing was held on July 28, 2010. The Personal Representative was represented by [REDACTED].

ISSUE

Did the Department of Human Services (DHS or department) properly deny claimant's application for Medical Assistance (MA) based upon failure to verify eligibility?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. Claimant died on [REDACTED].
2. On August 18, 2009, an application was filed on behalf of claimant's estate's Personal Representative for MA-P benefits retroactive to May of 2009. The application indicated that claimant was a recipient of Unemployment Compensation benefits (UCB).
3. On January 7, 2010, the department sent the A.R. a verification checklist requesting, among other things, "... Unemployment Compensation benefits and checking account verifications or have forms DHS-32 and DHS-20 completed for 5/1/09-5/31/09." (Department Exhibit #1.)

4. After a request for an extension of the time limit to submit verification, on January 29, 2010, the department re-sent the original verification checklist to the A.R. with a new due date of February 8, 2010. (Department Exhibit #2.)
5. On February 4, 2010, claimant's A.R. submitted the following to the department:
 - A DHS-20, Verification of Assets, which, although listing the account number for claimant's checking account, failed to provide any information as to the account balance and the form was not signed by a bank employee and
 - A DHS-32, UCB Information Request, in which the Unemployment Insurance Agency analyst indicated that claimant had not filed a new claim. (Department Exhibit #3)
6. On February 11, 2010, the department denied claimant's August 18, 2009, application for: "Fail to provide required verifications. Since no Unemployment Compensation Benefits and Checking Account (#27483170103) Verifications (see forms dated 9/3/09)." (Department Exhibit #4.)

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or department) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Program Administrative Manual (BAM), the Program Eligibility Manual (BEM) and the Program Reference Manual (PRM).

Relevant departmental policy in this matter is as follows:

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements.

Obtain verification when:

- Required by policy. BEM items specify which factors and under what circumstances verification is required.
- Required as a local office option. The requirement **must** be applied the same for every client. Local requirements may **not** be imposed for MA, TMA-Plus or AMP.
- Information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. The

questionable information might be from the client or a third party.

BAM Item 130, p. 1.

Tell the client what verification if required, how to obtain it, and the due date... BAM Item 130, p. 2.

Allow the client 10 calendar days (or other time limit specified in policy) to provide the verification you request... If the client cannot provide the verification despite a reasonable effort, extend the time limit up to three times.

Verifications are considered to be timely if received by the date they are due...

Send a case action notice when:

- The client indicates refusal to provide a verification, **or**
- The time period given has elapsed.

Only **adequate** notice is required for an application denial.

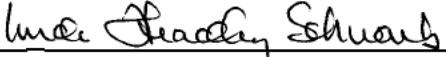
BAM Item 130, p. 5.

Before determining eligibility, give the client a reasonable opportunity to resolve any discrepancy between his statements and information from another source. BAM Item 130, p. 6.

In this case, on February 4, 2010, the A.R. provided the department with the requested DHS-32 and DHS-20 which were completed by third parties. The department did not notify the A.R. that the provided verification was defective or inadequate or allow the A.R. an opportunity to explain or investigate any discrepancy. Instead, the department simply denied the application. BAM Item 130, p. 6, provides that, before determining eligibility, the client and his/her authorized representative have to be given a reasonable opportunity to resolve any discrepancy between the client's statements and information from another source. Here, the DHS-20 and DHS-32 provided by other sources were either deemed to be inadequate or inconsistent with statements made on behalf of claimant's Personal Representative. The department should have given the A.R. an opportunity to address the inconsistencies or problems generated by the third-party statements. As such, the department failed to follow policy. The department is, therefore, ordered to initiate reconsideration of claimant's August 18, 2009, application. If the department is in need of additional verification or clarification, the department shall request same in writing from the A.R. The department shall notify the A.R. of its determination in writing.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department of Human Services improperly denied claimant's application for Medical Assistance. Accordingly, the department's action in this matter is hereby reversed. The department is ordered to initiate a reconsideration of claimant's August 18, 2009, application consistent with this order.


Linda Steadley Schwarb
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: August 3, 2010

Date Mailed: August 6, 2010

NOTICE: Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

LSS/pf

cc:

